

RRH: 25X1A  
JMK:

OGC HAS REVIEWED.

19 July 1954

MEMORANDUM FOR: Special Tax File

SUBJECT :

25X1A

1. As indicated in the attached memorandum from the Chief, NEA, dated 12 July 1954, the Division requested this office to expedite the filing of a Form 1040-C tax return for subject.

2. It should be noted that the monthly living allowance received by subject was not considered taxable since it was subsistence only and quarters were provided for the very necessary security "convenience of the employer." Taxable income earned by the subject from other sources was subject to withholding and the employee's W-2 returns from the only employer indicated were sighted by the undersigned. As a matter of fact, the total tax withheld for the year, 1953, appears to have been in excess of his exemption. For the year, 1954, the only taxable income received from the Agency was that paid under his contract effective 1 June 1954, which was reported as such for the months of June and July.

25X1A 3. The case officer, , will act on our suggestion that the employer for 1953 be asked whether a Federal income tax return (presumably 1040-A) had been filed for the individual. This could result in a refund.

*Taxpayer is to submit 1040 for 1953. 1040 A is not accepted after March 15) and will be refunded tax withheld, since gross income did not exceed his annual exemption*

Office of General Counsel

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